

Law of Supply and Demand

- ▶ Demand: the amount of a good that is wanted by consumers.
 - ▶ Law of Demand: when the price of a good is higher, fewer will demand it. As the price goes down, more people will demand it.
- ▶ Supply: the amount of a good that companies can offer.
 - ▶ Law of Supply: as the price rises for a good, companies are willing to produce more. Selling more goods at a higher price = more profit.

